

Singapore Management University  
**Institutional Knowledge at Singapore Management University**

---

Knowledge@SMU

Office of Research & Tech Transfer

---

5-2009

# Marketing and democracy: similarities and remedies

Knowledge@SMU

Follow this and additional works at: <https://ink.library.smu.edu.sg/ksmu>

Part of the [Marketing Commons](#)

---

## Citation

Knowledge@SMU. Marketing and democracy: similarities and remedies. (2009). Knowledge@SMU.

**Available at:** <https://ink.library.smu.edu.sg/ksmu/310>

This Journal Article is brought to you for free and open access by the Office of Research & Tech Transfer at Institutional Knowledge at Singapore Management University. It has been accepted for inclusion in Knowledge@SMU by an authorized administrator of Institutional Knowledge at Singapore Management University. For more information, please email [libIR@smu.edu.sg](mailto:libIR@smu.edu.sg).

(<http://knowledge.smu.edu.sg>)

## Marketing and democracy: similarities and remedies

Published: May 03, 2009 in Knowledge@SMU

Marketing is deceitful, intrusive and amoral; it induces materialism, causing people to over-commit and pushes them into debt. Not only that, it is guilty of bias as it serves only certain segments of the society. In fact, it was described by Benjamin Barber in *Consumed* (Norton, WW & Company, 2007) as “sucking up the air from every other domain to sustain the sector devoted to consumption”. Ironically, only five percent of consumers admit to have actually been misled by marketers.

Professor John A Quelch believes marketing delivers significant benefits to society. A professor of business administration at the Harvard Business School, Quelch spoke about the link between ‘marketing’ and ‘democracy’ at the Singapore Management University’s (SMU) Shaw Foundation Lecture Series. Drawing on the contents of his recent book *Greater Good: How Good Marketing Makes for Better Democracy* (Harvard Business Press, 2008), co-authored with Katherine Jocz, Quelch submitted that “marketing is under-marketed”, especially given its importance in today’s fast-paced world.

He contended that marketing and democracy can learn from and benefit each other - Marketing can widen its focus to embrace fairness and concern for the common good; democracy can be enhanced if politicians view the voting public as consumers and strive to engage them in inclusive, long-term relationships.

### Not as different as you think

According to Quelch, marketing and democracy offer six shared fundamental benefits to society, albeit at varying degrees.

	Marketing	Democracy
1	Information	Enlightened understanding
2	Choice	Control of agenda
3	Engagement	Effective participation
4	Exchange	Voting opportunity
5	Inclusion	Inclusion (of voting adults)
6	Consumption	Improved prosperity et al

Marketers provide consumers with information so that they can make better choices. They see tremendous value in active customer engagement as it allows them to learn about their customers’ needs and preferences; knowledge that can be applied to marketing strategies and communications. Executed effectively, customers will buy more, perhaps pay more, and tell their friends. Modern digital platforms help marketers accelerate information dissemination, co-create brand meaning and co-produce memorable service experiences. It has also provided consumers with unprecedented power - convenient means to conduct research, share information and experiences, broadcast opinions and join interest (or disinterest) groups.

Democracies involve “enlightened” citizens participating in the political process and making their choices from among the available candidates. While marketing works for the good of people in a similar fashion, through means like product differentiation, democracies are perceived to promote a common good. This makes democracy seemingly more inclusive of the general populace. However, in reality, this may not be the case.

Given the nature of the political arena, especially the four to five-year gap between elections, characterised by

intense campaigning to gain short-term “market share”, activities tend to include “negative advertisements” that cast opponents in bad light. At the same time, communications in politics – the strategic messaging, the use and abuse of language and impassioned rally speeches – would predictably contain less-than-trustworthy “facts”.

In America, for example, the country’s constitution guarantees the right of free speech, so slur campaigns are par for the course whereas marketing and advertising content is regulated. During elections, attention is often paid only to the “swing states”, with the belief that voters in these states can make or break a candidate’s quest for office. Communication is also restrictive as candidates control the agenda to maximise impact among their target audience. Citing the journey of US President Barack Obama, from little-known senator to the highest office in the world’s wealthiest nation, scoring various firsts en-route, Quelch reasoned that it was “better marketing” that elected Obama.

He observed that the Obama campaign scored with the citizenry through a compelling and positive vision. They maintained a consistent core message, they communicated effectively, including and engaging people across all segments. The campaign team also relied on the 4Ps of marketing – product, price, place and promotion. The political contest was waged on all fronts and resulted in a convincing win – Obama won the bigger market share on a bigger base. In fact, the presidential election saw a record voter turnout, with 8.5 million new voter registrations. The “air war” was won through an extensive use of the media; the “ground war” was won using a wide array of “salespeople” who reached out to the populace, and the “dollar war” was won on the perceived value he would bring if he were elected president.

### **Marketing lessons for democracy**

With the privatisation trend sweeping through Europe in the 1980s and ‘90s, and a significant increase in population mobility, it can be said that political parties are losing their grip on voters. The reverse is true in the world of marketing. More than ever, marketers understand their consumers and know what makes them tick. A testament of marketing’s influence is the emergence of ‘consumption communities’ – groups that have sprung up alongside political parties, trade unions and community groups. “We are consumers first, citizens second”, declared TV commentator Lou Dobbs. Incidentally, Starbucks founder Howard Schultz received his vindication when the masses lapped up his vision, once mocked for its audacity, that coffee houses will be so close to people’s hearts that they would be referred to as the “third home” (right after the office).

Marketing has been very successful in garnering and sustaining brand loyalty, but it cannot exist over a long term without an understanding of democracy, Quelch noted, adding that companies go through a “perpetual referendum” – one that requires constant innovation to meet the people’s expectations. For that matter, marketers follow democratic principles in promulgating messages, so as to expand market share and the overall market base.

By comparison, present democratic systems are less democratic as they lack this “perpetual referendum”. By treating people as voters who only participate during elections, once every four to five years, politicians may see less need to be as engaging and persistent as marketers. Quelch suggests that politicians in a democracy can afford to take a leaf from marketing – to treat citizens as consumers with distinct voices and needs, establish long-term relationships and earn their loyalty. Democracies will be the richer for it.


### **A regional perspective**


In a multi-party democracy, where leadership is shared, such as in India, Malaysia, Indonesia or even Thailand, much time is typically spent “holding it together”, said Quelch. Where there is much segmentation and fragmentation, governments can benefit from more “inclusion” and “better representation”, so that the needs of the citizens are heard. On how an opposition party can gain equivalency, he said that “the perpetual referendum in the economic marketplace will inevitably spill into the political marketplace”.

Any nation-state marketing must have some buy-in from citizens, he added, so that they will not undercut the efforts. Quelch cited the example of Singapore, where small geographical size facilitates nation-state marketing. In contrast, ‘Cool Britannia’, a marketing campaign closely associated with Tony Blair’s Labour Party, fell flat. The campaign was aimed at showcasing a revitalised 21<sup>st</sup> century Britain. Yet, without “internal salespeople” to support the campaign, it was not successful, said London-born Quelch.

Rajendra K Srivastava, provost of SMU and a professor of marketing, noted that buy-in from the citizenry depends on the perceived returns – just as buy-in from consumers rely on the perceived benefits of a product or service. He pointed to the example of India and China, both of which started on a similar footing some 50 years ago. India picked political over economic freedom, while China picked the opposite. Today, China’s economic freedom gives it political freedom in the international arena. India’s economy is doing well but its political scene is complex. The evaluation of perceived returns from a “consumer” viewpoint is perhaps just as complex.

There is no mistaking that politicians, inspired by Obama’s campaign successes, will increasingly employ marketing. It remains to be seen if “better marketing” is what it takes to explain policies, resolve crisis and influence deep political beliefs; if it will clarify or confuse. Just as Thomas Jefferson once said, “the remedy for the ills of democracy is more democracy”, perhaps “the remedy for the ills of marketing is more marketing”.

 [back to top \(#top\)](#)

 [back to top \(#top\)](#)

---

All materials copyright of Singapore Management University (<http://www.smu.edu.sg>) and the Wharton School (<http://www.wharton.upenn.edu>) of the University of Pennsylvania (<http://www.upenn.edu>), Privacy Policy (<http://knowledge.smu.edu.sg/privacy.cfm>).